

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FIRST SET OF INFORMATION REQUESTS TO COLONIAL GAS COMPANY  
D/B/A  
KEYSPAN ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-86

Respondent: Ann Leary

Information Request: 1-2

- Q. Please refer to the Cover Letter at 2 of the Company's filing. Explain why the Company is no longer seeking recovery of LBR using the rolling period methodology.
- A. In Colonial Gas Company, D.T.E. 97-112 (1999) the Department determined that LBR associated with a specific year of DSM implementation would be recovered over a period of four years – the rolling period method. With each successive year of DSM implementation, the recovery period for LBR associated with additional implementation would be rolled out four years. For example, DSM implemented in 1999 would have to be recovered by 2002. However, as a result of the August 2000 Amendment to Offer of Settlement regarding Boston Gas Company's Market Transformation/Energy Efficiency Programs 1997-2001 (the "Settlement"), the Company can no longer collect lost margins for DSM measures installed after April 2000. Instead, the Department approved a market transformation program for DSM that relied on awarding incentives based on performance. In Colonial's previous exogenous cost case, D.T.E. 03-90, the Company did not seek recovery of LBR for the same reason.